



ZPP Energy

R.

FCS/81/29SECRETARY OF STATE FOR ENERGY

677

France and North Alwyn Gas and the Seventh Round Licensing

1. Thank you for your letter of 2 March to Ian Gilmour.
2. I am reassured that the French are likely to regard the Gas Gathering Pipeline option as viable despite some loss of profit. It is also helpful to know that such requirements on oil companies are not unprecedented. Although it seems that there is little or no prospect of finding any face-saver to make the proposal more palatable to the French, in all the circumstances and in view of the tight timescale, I am content that your officials should approach the French companies along the lines agreed and that their response should determine your announcement of awards to them under the remaining part of the seventh licensing round.
3. I have also seen your minute of 26 February to the Prime Minister about the seventh round. It is satisfactory that as well as ensuring a full share for UK companies, there is a wide spread of European, in addition to American, representation. We shall have to brief Posts and our officials will be in touch.
4. I am copying this minute to the Prime Minister and to the recipients of your minute of 26 February, thereby indicating my agreement to the proposals in paragraphs 8 and 9 of that minute.

C

(CARRINGTON)

Foreign and Commonwealth Office
4 March 1981